
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes October 4, 2007

The meeting for the School Property Tax Control Board was held on Thursday, October 4, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those present for the meeting were Debbie Hineline, Dr. Denise Seger, Chuck Nemeth, Dave Bowen, Richard Besinger, Tony Samuel, Joe Bronnert, and Kaitlin Boldt, Administrative Officer.

Discussion: There were no meeting minutes available from the September 20, 2007 meeting to review.

Mr. Bowen said last year the board made a 7-0 motion that equipment costs should be removed from the new facility appeal requests.

Dr. Seger said the account numbers on the forms will need to be updated for next year.

Metropolitan School District of Wayne Township, Marion County: Officials request approval of a new facility appeal in the amount of \$113,168. The tax rate impact of the appeal is \$0.0048. The appeal was properly advertised. Officials request the appeal for an addition of 60,505 square feet at Chapel Hill 7th & 8th Grade Center, which was occupied in August 2007. The appeal includes three custodians, utilities and employee benefits.

Present for the hearing was Dennis Tackitt, CFO; John Maples, Director of Operations and Phyllis Lewis, School Board Member.

Comments: Mr. Tackitt, Chief Financial Officer, spoke about the new facility appeal. Last year they were granted 5/12 of this request, so they are asking for the remaining 7/12 for the 2008 budget. Chapel Hill Center was closed and remodel and 60,505 square feet were added. This appeal includes utilities and custodians' salary and benefits only.

Mr. Bowen said the minutes from last year indicate their appeal amount was \$272,000. Mr. Tackitt said it was revised downward by the Commissioner.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$113,168. Dr. Seger seconded the motion, which favorably carried by a vote of 6-1. Mr. Besinger cast the dissenting vote.

Franklin Township Community School Corporation, Marion County: Officials request approval of a new facility appeal in the amount of \$250,646. The tax rate impact of the appeal is \$0.0119. The appeal was properly advertised. Officials request the appeal due to the opening of South Creek Elementary, a 92,117 square foot facility that opened in July 2007. The appeal request includes three custodians, 1/3 maintenance position, employee benefits and utilities.

Present for the hearing was Jim McWhirt, Director of Business.

Comments: Mr. McWhirt said they are requesting a new facility appeal for South Creek Elementary which opened this fall. The appeal is to accommodate the salaries and benefits for custodial employees and utilities.

Mr. Bronnert asked if it is a relatively maintenance free building because they are requesting three custodians for 92,000 square feet. Mr. McWhirt said their operations people think that will be adequate to do the work in that space.

Mr. Bowen asked if they are asking for seven months. Mr. McWhirt said this appeal is for twelve months.

Mr. Bronnert asked if the facility is already open. Mr. McWhirt responded yes, it is operating at this time.

Mr. Bowen said the sheet shows annual operating costs of \$435,938, but a levy for this facility of \$250,646. Mr. McWhirt said they are just appealing for a part of the \$435,938. They are not asking for the entire increase in operating costs.

Mr. Besinger asked if they will be coming back to ask for the other portion of operating expenses. Mr. McWhirt responded no, this is it for this facility.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$250,646. Ms. Hineline seconded the motion, which favorably carried by a vote of 7-0.

Community School Corporation of South Hancock County, Hancock County: Officials request approval of a new facility appeal in the amount of \$17,760. The tax rate impact is \$0.0024. The appeal was properly advertised. Officials request the appeal for an addition of 14,900 square feet. The appeal request includes ½ custodian position, employee benefits, insurance and utilities.

Present for the hearing was Jim Halik, Superintendent and Bob Yoder, Assistant Superintendent.

Comments: Mr. Yoder said they are requesting a new facility appeal for \$17,760 for a new classroom addition to New Palestine High School. The addition was completed in March of this year. Last year they asked for half for the 2007 budget year and now they are back for the

second half for 2008. The appeal is based on ½ a custodian, the benefits for that individual, building insurance, and utility costs.

Mr. Bowen asked if the annual operating cost is \$35,000. Mr. Yoder responded yes. Mr. Bowen said on page two of the new facility appeal paperwork they show annual operating expenses of \$17,760 which is not correct. They said they used the same amount as they are requesting which is half of the annual amount.

Mr. Besinger asked if this facility was built due to increasing enrollment. Mr. Yoder responded yes, in 1995 the high school had 798 students and this year it is at 1076 students. Their ADM is up 93 students this year, so they are a growing school corporation. They have been growing 80-100 students per year for the last eight to ten years.

Motion: Dr. Seger made a motion to approve a new facility appeal in the amount of \$17,760. Mr. Bowen seconded the motion, which favorably carried by a vote of 6-1. Mr. Besinger cast the dissenting vote.

Plainfield Community School Corporation, Hendricks County: Officials request approval of a new facility appeal in the amount of \$2,055,645. The tax rate impact is \$0.1323. The appeal was properly advertised. Officials request the appeal for the new 506,936 square foot Plainfield High School, scheduled to open January 2008. The appeal request includes 24 custodians, property services, employee benefits, utilities and supplies.

Present for the hearing was Jud Wolfe, Assistant Superintendent, and Jerry Holifield, Superintendent.

Comments: Mr. Wolfe said this new facility appeal is for the new high school that they plan to take over in 2008. They had to build a new high school because they are out of space everywhere. In the fall of 2008 they will transition students and reconfigure the grade levels in the existing schools. The amount of the appeal request is \$2,055,645.

Mr. Bronnert asked when they will actually occupy the building. Mr. Wolfe said they plan to take it over in January and start cleaning with the custodial staff.

Mr. Bowen asked when students will start using the building. Mr. Wolfe said students will start using it in August for the 2008-09 school year. They plan to bring the custodians on board in January to start the cleaning process. Mr. Bowen asked what will happen to the current high school. Mr. Wolfe said the current high school will become the middle school. The current middle school is out of space.

Mr. Bronnert asked how many custodians they are planning to hire in January. Mr. Wolfe responded twenty-four. Mr. Holifield said their elementary schools are currently K-5, but will be transitioning to K-3. The current middle school will be renamed and will be for grades four and five. All of the students in middle school will move to the old high school.

Mr. Bowen said his problem is that they are not servicing students until August. Mr. Bowen said this is one that should be broken down into two appeals. Mr. Holifield said they need to get the building ready for students somehow. The custodians will clean the new high school, but when that is finished they will be moved to help get the other schools ready also.

Mr. Besinger said he cannot see it taking that much time to clean and move furniture before the students arrive.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$1,027,822, with the understanding that the school can come back and request the remaining 50% of the appeal next year. Mr. Nemeth seconded the motion, which favorably carried by a vote of 5-2. Mr. Besinger and Mr. Samuel cast the dissenting votes.

Franklin Community School Corporation, Johnson County: Officials request approval of a new facility appeal in the amount of \$432,256. The tax rate impact is \$0.0339. The appeal was properly advertised. Officials request the appeal for the new 310,000 square foot Franklin Community Middle School, scheduled to open July 2008. The appeal request includes thirteen custodians, two maintenance positions, a groundskeeper, employee benefits, utilities and supplies.

Present for the hearing was Jeff Mercer, Director of Operations; Steve Millikan, Director of Business Affairs, and Dr. William Patterson, Superintendent.

Comments: Mr. Mercer said they are requesting a new facility appeal for their remodeled middle school. This is the last phase of a master plan that was scripted in the mid 1990's. This school was their old high school and has been offline for a year. When it opens in August of next year seventh and eighth graders will move into the building. The appeal amount is for half of the total amount which is approximately \$432,000. This will allow them to get this building equipped and cleaned beginning in about June. They need to have a quick turnaround to free up space in the other existing schools.

Mr. Nemeth said he is not sure this qualifies under the statutory provisions because the statute provides for new facilities or the reopening of an existing facility that was not used for at least three years immediately preceding the reopening, and the reopening provided additional classroom space. Mr. Millikan said he also had trouble with that, but basically he had to put an "x" on one of the lines. They are doing major remodeling and additions, but it did not fall under closed for three years. Additions also did not seem to fit. He did not feel that any of the three really answered the question.

Mr. Bowen asked what the net square footage increase for the corporation was. Mr. Mercer said it is a little over 60,000 square feet. Mr. Bowen said that is what they should be requesting for. Mr. Millikan said when they did the new facility appeal for the high school they only requested half of the custodians. Mr. Bowen asked when their other appeal was. Mr. Mercer said the high school appeal was requested at this time last year.

Mr. Besinger asked if the building was closed for three years. They responded no, the building was closed at the end of the school year. Mr. Besinger asked if they had to do all of this because of increasing enrollment. They responded yes, they have been growing at about 100 students per year.

Mr. Bowen asked them to explain the net amount that they are asking for. They said when they moved into the new high school and came last year they accounted for the fact they had existing support staff in the old high school. Mr. Bowen asked how big the old high school was. They said it was 257,000 square feet. They moved the entire support staff from the old high school and included that in the amount that they pay in total, but they only asked to fund the additional custodians it would take to get them into the new high school. They carried thirteen custodians forward and asked for ten more, which they then put online for a total of twenty-three. When they moved the thirteen from the old high school that totally wiped out any they would have available to move back into this building. That is the piece they are asking for to reequip with support staff the building they moved in total last year.

Mr. Besinger asked what they did with the old high school. They said it went offline at the end of last school year. They are in the process of remodeling it right now.

Mr. Bowen asked if they added 60,000 square feet to the building. They said they are adding that much in essence. Except for the south wing the vast majority of the building is under construction right now. The hallways were too small and most classrooms were 750 square feet or smaller and could not support middle school programs. As the community was looking at how to accommodate growth they considered building a new middle school. By going this route they saved \$30-35 million. The only thing they are adding is academic space. Mr. Bowen asked how many square feet are in the old building. They responded 310,000. Mr. Bowen said they have \$47,800 for equipment that the board is recommending be deducted.

Mr. Besinger asked what they do with the extra tuition money they receive for enrollment growth. The Superintendent said they are seeing their special education and free and reduced populations increase significantly. The money goes for additional special education staff. Mr. Millikan said most of the basic grant dollars go to academics. The state law allows them the opportunity to come for utilities and custodians, which is all that they are asking for. They are not asking for anything that is tied to the academics of the building.

Mr. Bowen said their cost per square foot is quite reasonable compared to some of the others.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$432,256, subject to the DLGF checking the square footage figures provided in previous applications. Dr. Seger seconded the motion, which was denied by a vote of 4-3. Mr. Besinger, Mr. Nemeth, Ms. Hinline, and Mr. Samuel cast the dissenting votes.

Noblesville Schools, Hamilton County: Officials request approval of a new facility appeal in the amount of \$586,145. The tax rate impact of the appeal is \$0.0293. The appeal was properly advertised. Officials request the appeal for two facilities. A new Intermediate School of 252,000 square feet was occupied in July 2007. The appeal amount is \$382,051 and includes

ten custodians, one maintenance position, a groundskeeper, property & casualty insurance, employee benefits, utilities and supplies. A new Elementary School of 109,196 square feet was occupied in July 2007. The appeal amount is \$204,094 and includes four custodians, one maintenance position, property & casualty insurance, employee benefits, utilities and supplies.

Present for the hearing was Lynn Lehman, Superintendent, and Terry Rich, Director of Finance.

Comments: Mr. Lehman, Superintendent, said this is the second part of a new facility appeal for a new 252,000 square foot intermediate school and new 109,196 square foot elementary school. Both schools opened this fall. The first halves of the appeals were approved as presented and were included in the 2007 budget. They believe this appeal is consistent with previous appeals submitted by Noblesville Schools.

Mr. Bowen said he thinks it is a waste of time for them to come back a second time when the first half has already been approved.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$586,145. Ms. Hineline seconded the motion, which favorably carried by a vote of 6-1. Mr. Besinger cast the dissenting vote.

Zionsville Community Schools, Boone County: Officials request approval of a new facility appeal in the amount of \$577,683. The tax rate impact of the appeal is \$0.0265. The appeal was properly advertised. Officials request the appeal on two facilities. Union Elementary School is a new facility of 91,150 square feet that was occupied in May 2007. The appeal amount is \$188,735 and includes a building supervisor and assistant, six custodians, one maintenance position, a groundskeeper, employee benefits and utility costs. Zionsville West Middle School is a new facility of 264,017 square feet that was occupied in May 2007. The appeal amount is \$388,948 and includes a building supervisor and assistant, fourteen custodians, two maintenance positions, an HVAC technician, two groundskeepers and utility costs.

Present for the hearing was Scott Robison, Superintendent, and Michael Shafer, CEO.

Comments: Mr. Robison, Superintendent, said they are here for the second half of a new facility appeal involving the new Union Elementary School and Zionsville West Middle School.

Mr. Bronnert asked if the appeal is for 5/7 or 50% of the original amount. Mr. Shafer said it is slightly different. There is a reconciliation sheet that shows last year's request and the remaining amounts that they are requesting now.

Mr. Bronnert asked what they changed. Mr. Shafer said they did not change anything. They took the original request and subtracted the amounts that were approved and deleted the items that were declined last year. This is the remainder of the utility and labor costs for the buildings.

Mr. Nemeth asked if the compensation amounts are actual figures. They said those are based on the current pay scale from last year. They did not update those. Mr. Nemeth asked if they

experienced any changes in their original estimates. They said they had very good numbers going in. The middle school is a replica of an existing building. The elementary school design is close to two existing buildings.

Motion: Ms. Hineline made a motion to approve a new facility appeal in the amount of \$577,683. Dr. Seger seconded the motion, which favorably carried by a vote of 6-1. Mr. Besinger cast the dissenting vote.

East Noble Schools, Noble County: Officials request approval of a new facility appeal in the amount of \$51,385. The tax rate impact is \$0.0047. The appeal was properly advertised. Officials request the appeal for the new 19,200 square feet East Noble Administrative Offices that were occupied in September 2007. The appeal includes a custodian, employee benefits, utilities and supplies.

Present for the hearing was Craig Ream, Business Manager.

Comments: Mr. Ream, Business Manager, said East Noble School Corporation has been looking for a new central office for quite a few years. They recently had the opportunity to purchase the old Kendallville Library for \$80,000. Since 1976 the offices had been in a renovated grocery store. This new facility appeal is for the additional custodial time it will take to clean the building and the cleaning supplies needed. They are requesting \$51,385.

Mr. Bowen asked if the school corporation owned the old building. Mr. Ream responded yes. Mr. Bowen asked if they still own the building. Mr. Ream said yes, they are moving their alternative school into the old building. Mr. Bowen asked if this is a clear net add of building space. Mr. Ream said they are adding 32 hours of custodial help.

Mr. Samuel asked where the alternative school was before. Mr. Ream said it was in a Main Street storefront that they were leasing. They will be saving \$15,000 per year and they only spent \$80,000. Mr. Samuel asked why they did not put the alternative school in the converted library. Mr. Ream said it would be way too big of a building for that.

Mr. Bronnert asked Mr. Nemeth if an administration building is considered a “new school building.” Mr. Nemeth said the prior Commissioner had taken the position that it was not. Mr. Bronnert said they are coming in with a very frugal request and he is sure they need the money, but the prior Commissioner has not allowed this type of appeal. Mr. Ream said they have training rooms in the basement. They are putting in a computer lab. The training rooms would be about 5,000 square feet of the 19,000 square foot facility. Mr. Bronnert asked if the rooms are used full-time. Mr. Ream said they moved in two weeks ago and they have been using it for all kinds of training.

Mr. Nemeth said there have been some instances in the past where the DLGF prorated portions for educational purposes. It would be helpful for school corporations and the control board to have some set guidelines as to what will and will not be considered.

Motion: Mr. Nemeth made a motion to forward the request for a new facility appeal to the Commissioner with no recommendation. Ms. Hinline seconded the motion, which favorably carried by a vote of 7-0.

Jennings County Schools, Jennings County: Officials request approval of a new facility appeal in the amount of \$95,000. The tax rate impact is \$0.0120. The appeal was properly advertised. Officials request the appeal on three facilities. An addition of 8,000 square feet to the Central Office Administration Building was opened in June 2006. The appeal amount of \$28,200 includes ½ custodian, supplies and utilities. An addition of 40,278 square feet to Brush Creek Elementary School was opened in August 2006. The appeal amount of \$39,700 includes ½ custodian, supplies and utilities. An addition of 8,323 square feet to Scipio Elementary School was opened in August 2006. The appeal amount of \$27,100 includes supplies and utilities.

Present for the hearing was Michael Bushong, Superintendent, and Amber Fields, Business Manager.

Comments: Mr. Bushong, Superintendent, spoke about the new facility appeal. They started this whole process back in 2002 with a facilities committee. The board cut the proposed project to a \$7,660,000 bond issue to do HVAC work at the middle school, Scipio Elementary, and Brush Creek Elementary. Scipio had a 1948 addition that was having mold issues and the classrooms were undersized. Classrooms and restrooms were added to Brush Creek Elementary. They also added to the administration facility. For two to three years they were renting space because the existing office space was undersized. They left their special education cooperative that housed all of their special education records. They had to create a space to house those records. In 2005-06 they built an addition to the administration building using their building and trades students. They have had increased utility and custodian costs at the elementary schools. The total request is \$95,000, but they advertised for \$200,000.

Mr. Bowen said the administration building needs to be treated the same as the previous issue. Mr. Bowen asked if they are including costs from part of the original building at Brush Creek Elementary. Mr. Bowen said the cost per square foot at Scipio Elementary is \$3.26, but at Brush Creek it is \$5.45. The Superintendent said they did not ask for an additional custodian at Scipio. Ms. Fields said they had three custodians at Scipio so they were probably a little over prior to the addition. After the addition they had a custodian for about every 20,000 square feet. At Brush Creek they were under before the addition and when they added on they are asking to add another ½ person. The Superintendent said the custodians are also responsible for the land the buildings sit on. They cannot look at just the square footage of the building.

Mr. Samuel asked if there was not a custodian at the administration building previously. The Superintendent said they had to pull one off of close by schools to get things accomplished.

Motion: Mr. Bronnert made a motion to approve a new facility appeal in the amount of \$95,000, minus \$28,200 for the central office administration building. Dr. Seger seconded the motion, which favorably carried by a vote of 5-2. Mr. Besinger and Mr. Samuel cast the dissenting votes.

Bartholomew Consolidated School Corporation, Bartholomew County: Officials request approval of a new facility appeal in the amount of \$350,184. The tax rate impact is \$0.0092. The appeal was properly advertised. Officials request the appeal for the new Central Middle School which was occupied on August 13, 2007 and had a net increase of 54,920 square feet. The appeal request includes two custodians, employee benefits, building insurance, utilities and supplies.

Present for the hearing was John Quick, Superintendent; Ron Hoskins, Manager of Maintenance, and Vaughn Sylva, Assistant Superintendent of Finance.

Comments: John Quick, Superintendent, said they are here because they opened a new central middle school. It was part of a larger project that was rejected by the community. They went back and isolated this as a project and received tremendous support from the community. This is the first brand new building in BCSC in twenty-five years. They are asking for \$350,184 for the cleaning, maintenance, and equipment for the building. The tax rate has been certified to drop about six cents. This appeal costs a little less than a penny. They currently house 824 students in the new facility. It will be a magnet school for the New Tech program beginning this fall. They will be increasing the capacity by 125 students in the next two years. This building replaces a building that was 102 years old. The building was masonry construction with much smaller classrooms than are used today.

Mr. Besinger asked if the school was built because of increasing enrollment. The Superintendent said they had a little increasing enrollment, but it was mainly built to replace a building they felt needed to be replaced. They are a growing district.

Ms. Hineline asked if this appeal is for the entire year. The Superintendent responded yes.

Mr. Bowen said based on last year, the control board is recommending supplies and equipment be removed from the appeals. Mr. Bronnert said he thinks the supplies can be included. Mr. Bowen said they came in with the highest cost per square foot of any of the seventeen projects today. Mr. Bowen asked if their labor costs are higher than everyone else. Mr. Bowen said the average was \$3.77 a square foot and they are at \$6.38. They said the architects estimated that they would have operational costs of \$383,000, but on their worksheet they came up with \$345,000. Mr. Bowen asked what their current operating cost per square foot is. They said the operational cost for the utilities of \$345,000 divided by 171,000 square feet is \$2.01 per square foot. In addition they are requesting two custodians. Mr. Bowen said if they take out all of the equipment that will bring the cost per square foot to down around \$4.60.

Mr. Bronnert said CSO Architects are calculating utility costs using 171,000 square feet, but the net increase is only 54,000 square feet. The Superintendent said the 116,000 square feet that they are replacing did not include the capabilities for dealing with mold and most of the building did not have air conditioning.

Mr. Bowen said the appeal can only take care of the addition in square feet. Mr. Bowen said if you take the \$2.23 that CSO projected for utilities multiplied by the 54,920 square feet you only get \$122,472. The Superintendent said the addition is much better and more expensive than the

original. Mr. Bowen asked if the utility costs are higher than \$2.23 per square foot. The Superintendent said they generated their numbers by comparing the cost to operate the old building to the new. The new building is 100% air conditioned.

Mr. Bronnert said they understand their rationalization, but they have to take the CSO estimate multiplied by the net square footage increase. The Superintendent said their costs are going up. All of their calculations were a calculation of the costs for the entire new building minus the costs of the old building. The reason the number is higher than the architect's estimate is the old building was inefficient. It is not cheap to deal with indoor air quality.

Mr. Besinger said they should have taken care of air quality problems over the years with CPF. The Superintendent there was not a solution that could be found. There have been plans to replace this building since the fire of 1979. There was not a solution short of building a new building to take care of the indoor air quality problem.

Ms. Hineline said this is not a renovation of 54,000 square feet; it is a completely new building of 171,000 square feet.

Mr. Bronnert asked Mr. Nemeth if he thinks they can consider the additional utility costs of the new building minus the old building because it is a completely brand new building.

Mr. Besinger said if you build a new facility and eliminate the old facility it should be the difference in the square feet between the two facilities because you do not have the old facility. Mr. Besinger said it is difficult for him to see where a new facility would not be cheaper to maintain than the old one. If the new building is not more efficient than there is something wrong. The Superintendent said it is more efficient, but it is utilized far more than it was in the past. They have to run the air conditioning at all times to help with indoor air quality.

Mr. Bowen asked if the old building was air conditioned. The Superintendent said it was in parts. Mr. Bowen said this is similar to when IPS air conditioned all of their buildings. The question was if they could come in for a new facility appeal and the answer was no, but in that case they were not replacing an old building with new buildings. Mr. Bowen said he is still not comfortable with the \$6.38 per square foot.

Motion: Mr. Nemeth made a motion to forward the request for a new facility appeal to the Commissioner with no recommendation. Dr. Seger seconded the motion, which favorably carried by a vote of 4-2. Mr. Samuel and Mr. Besinger cast the dissenting votes and Mr. Bronnert abstained.

South Montgomery Schools, Montgomery County: Officials request approval of a new facility appeal in the amount of \$100,210. The tax rate impact is \$0.0143. The appeal was properly advertised. Officials request the appeal on two facilities. The new 66,943 square foot Southmont High School was occupied August 2006. The appeal amount for Southmont High School is \$84,176. An addition of 4,402 square feet was added to the Southmont Junior High cafeteria and occupied December 2006. The appeal amount for the cafeteria space is \$16,034. The appeal amount for both facilities includes one custodian, insurance, utilities and supplies.

Present for the hearing was J. Bret Lewis, Superintendent.

Comments: Mr. Lewis, Superintendent, said this has been a phased appeal process as they have occupied a footprint. Prior to this they have received approval for \$189,624. With this request of \$100,210 the total new facility appeal for this footprint is \$289,834, which is below what they advertised at the 1028 hearing. Their costs are greater than what they are asking for. The cost of gas alone has increased about 41%. They have a tank farm for LP gas at the jr/sr high that is filled twice a day on cold days. Vectrin is now interested in running a gas line to the school. The price they used for LP gas is very conservative.

Mr. Bowen asked if they had a previous new facility appeal for Southmont Junior High. The Superintendent said it was fully occupied in January of this year. The Superintendent said all the stages associated with the appeals are represented. The personnel have already been hired. They do not pay very much for custodians. They have about a 55% turnover rate because they do not pay well.

Mr. Bronnert said the \$1,000 for equipment has previously not been allowed. The Superintendent said the equipment is for cleaning the floor.

Mr. Besinger asked how large the gas tanks are. The Superintendent said they have four 2,000 gallon tanks for the jr/sr high school. They have looked at a much larger single tank, but that would not be efficient if a vaporizer goes down.

Motion: Mr. Bowen made a motion to approve a new facility appeal in the amount of \$100,210, less equipment. Ms. Hineline seconded the motion, which favorably carried by a vote of 7-0.

North Miami Community Schools, Miami County: Officials request approval of a new facility appeal in the amount of \$61,425. The tax rate impact is \$0.0344. The appeal was property advertised. Officials request the appeal for the new 24,629 square foot Warrior Arena that was occupied in August 2005. The appeal request includes one part-time custodian, property services, utilities, supplies and equipment.

Present for the hearing was Brent Kaufman, Superintendent.

Comments: Brent Kaufman, Superintendent, said North Miami Schools added a separate building with six classrooms and physical education space for 400 students to the elementary school in 2003-04. The facility is connected by a hallway, but all of the HVAC system is connected to the existing system. The facility is heated by fuel oil. The appeal amount of \$61,000 is for a facility of 24,629 square feet.

Mr. Bronnert asked if this is an addition connected by a hallway. The Superintendent responded yes.

Mr. Besinger asked if this was built due to need or growth. The Superintendent said the corporation has been pretty steady in population. The extra area was needed because the

classrooms in the 1973 facility were small. The Superintendent said he understands the equipment costs will need to be removed.

Motion: Ms. Hineline made a motion to approve a new facility appeal in the amount of \$61,425, less equipment costs. Dr. Seger seconded the motion, which favorably carried by a vote of 6-1. Mr. Besinger cast the dissenting vote.

Crown Point Community School Corporation, Lake County: Officials request approval of a new facility appeal in the amount of \$491,653. The tax rate impact is \$0.0219. The appeal was property advertised. Officials request the appeal for the new 197,975 square foot Col. John Wheeler Middle School that was occupied in August 2007. The appeal request includes one head custodian, nine custodians, a groundskeeper, a maintenance position, property services, employee benefits, utilities and supplies.

Present for the hearing was Matt Ruess, CFO, and Jim Burggraf, Director of Buildings and Grounds.

Comments: Matt Ruess, CFO, said this new facility appeal is for the remaining 7/12 of an appeal that was approved last year. The appeal is for a new middle school they built starting in 2003. They are a growing school corporation. Sixth graders were moved out of the elementary schools into the new middle school. The amount of the remaining 7/12^{ths} of the appeal is \$491,653.

Mr. Bronnert asked if there was any change in the total amount. Mr. Ruess said the amount stayed the same from last year.

Ms. Hineline said they advertised \$516,420. Mr. Ruess said last year's appeal was \$350,000. The appeal amount on the advertisement included a security cost that was reduced last year.

Motion: Ms. Hineline made a motion to approve a new facility appeal in the amount of \$491,653. Mr. Bowen seconded the motion, which favorably carried by a vote of 5-2. Mr. Besinger and Mr. Samuel cast the dissenting votes.

Middlebury Community Schools, Elkhart County: Officials request approval of a new facility appeal in the amount of \$413,070. The tax rate impact is \$0.0314. The appeal was property advertised. Officials request the appeal for the new 283,472 square foot Northridge High School that is scheduled to be occupied in August 2008. The appeal request includes one head custodian, eight custodians, a groundskeeper, ½ maintenance position, two safety officers, property insurance, employee benefits, utilities and supplies.

Present for the hearing was Jim Conner, Superintendent; Jane Allen, Director of Curriculum & Instruction; Shirley Meyer, Director of Business, and Craig Braker, Director of Buildings & Grounds & Transportation.

Comments: Mr. Conner, Superintendent, said this is a new facility appeal for a new high school built for 1,700 students scheduled to open in August of 2008. The new facility appeal is for \$413,070 to operate the new facility for five months. Taxpayers were notified of the new facility appeal at the 1028 hearing. They will be coming back with a new facility appeal for the remainder of phase one and all of phase two in 2009. The cost per square foot of the appeal for all phases is \$3.07. They are a growing school corporation. ADM increased 100 students this year. They are planning to add full day kindergarten next year. To address safety concerns they have included two security officers at the new high school. Utilities and insurance are taken to the maximum amount allowed in CPF. They started a rainy day fund in 2007. ISTEP scores in the school corporation are well above the state average.

Mr. Bowen said the annual operating cost on the new facility appeal worksheet should be more than \$413,000. Ms. Meyer said that amount represents five months. Mr. Bowen asked if they are going to open and occupy 280,000 square feet in August of 2008. The Superintendent said yes, 283,472 square feet. Mr. Bowen asked if phase two is under construction now. The Superintendent said yes, it will open in January of 2009. They will do an appeal for that along with the extra seven months of this appeal. Mr. Bowen asked how many square feet are included in phase two. The Superintendent said there are 90,554 square feet in phase two. Mr. Bowen asked if the project is on schedule. The Superintendent said yes.

Mr. Bronnert said safety officers are not allowed due to the statute.

Mr. Nemeth asked if item three is the name of an insurance company. Ms. Meyer said it is a type of total coverage insurance.

Mr. Besinger said one thing he is always concerned with is when they have a growing school corporation they receive extra money for tuition, yet they come in with an appeal for the full amount. Extra students help pay for the cost of those facilities. They should use tuition out of the general fund to help pay some of these expenses. School corporations come in and ask for the full amount rather than backing out what they received for tuition. The Superintendent said they are looking at class size. The extra money that they receive they kick back into lower class size. They are well above where they would like to be on prime-time numbers. They are going to hire extra teachers to get to 65%. They can only spend the money once, so they are hoping to spend all of it on hiring extra teachers. Grades K-2 are the crucial years to have small class sizes and retain students. Mr. Besinger said someone needs to be sympathetic towards the taxpayers. The Superintendent said the assessor from Middlebury Township told them they lowered their tax rate \$0.10 this year when everyone else raised theirs.

Motion: Dr. Seger made a motion to approve a new facility appeal in the amount of \$413,070, less the cost of the safety officers. Ms. Hineline seconded the motion, which favorably carried by a vote of 5-2. Mr. Besinger and Mr. Samuel cast the dissenting votes.

Mt. Pleasant Township Community School Corporation, Delaware County: Officials request approval for emergency financial relief in the amount of \$851,000. The appeal was properly advertised. Officials are requesting an excessive tax levy for 2007 and not a referendum.

Present for the hearing was Dr. William E. Roberson, Superintendent; Sandra Donovan, Treasurer, and Joseph Seher, Finance Consultant.

Comments: Dr. William Roberson, Superintendent, said he began in July as Superintendent of Mt. Pleasant Schools when they were in deficit spending. They have made several cuts, reduced staff, tried to be efficient with utilities, and have cut everything that they know to cut. The original appeal was for \$851,000, but they have since made additional cuts and they are now requesting \$537,435. They are asking for relief so they can have some time to do some more things to get back into the black. They are asking that they get a grant and/or loan. A two to three year payback period would be fine. They do not need a loan for four years.

Mr. Bronnert asked what amount they are applying for. The Superintendent said \$537,435.

Mr. Besinger asked what they are going to try to do make up and pay this loan back. The Superintendent said they are going to continue to look at staffing and negotiations. They are going to be helped by kindergarten and a grant from the state. Parents will be asked to pay a part for kindergarten where in the past it was all paid by the school corporation. Mr. Besinger asked if the school corporation was caught up in severance pay. They responded yes. Mr. Besinger asked how much that costs per year. The Superintendent said they were paying over \$300,000 per year. The pension bond was for more than \$4 million. They tried to cut things so they would not have to ask for this, but they also know they cannot be in the red on December 31.

Mr. Samuel asked cuts they have already made. The Superintendent said they reduced the teaching staff by nineteen. They also reduced six support staff. They need to have some positions for safety. They cannot cut certified staff after May 1.

Mr. Besinger asked what type of scheduling they use at the middle and high school. The Superintendent said they are on block schedule at the high school and an eight period day at the middle school. Mr. Besinger said block scheduling is very expensive. The Superintendent said that came up in discussion and they are doing a personnel study now. That is a discussion they are having.

Mr. Samuel asked what happened to get them to this place. The Superintendent said one of the biggest things that happened was enrollment was dropping, but the school board was being told it was going up because they were looking at a building project. At the same time, they added full day kindergarten while enrollment was dropping and paid for it out of general fund rather than charging for it. They are looking at putting in a new HVAC system in a building that currently uses an electric system.

Mr. Bowen asked what their cost per student is. The Superintendent said he does not remember.

Mr. Samuel asked if there were any new school construction projects that contributed to this. The Superintendent responded no, there have not been any projects.

Mr. Nemeth asked if where they are at is the result of reassessment. The Superintendent said the reassessment has been canceled. Mr. Nemeth asked if they will be receiving the 2007 bills late. The Superintendent said they have only received 43% at this time. They are assuming they will get their full budget. They have also asked for a shortfall appeal. Mr. Nemeth asked if they have done some temporary borrowing between funds. The Superintendent said they have done bond bank, but they have not done between funds because they do not have the money. Mr. Nemeth asked why they did not pursue a referendum. The Superintendent said the public voted down a building project 2-1 just last year. They felt that a referendum would not fly.

Ms. Hineline asked how many buildings the school corporation has. The Superintendent responded four. Ms. Hineline asked if they have considered consolidation. The Superintendent said they have not discussed a full blown consolidation, but they have discussed it for special education.

Mr. Besinger asked how the community feels about them getting a loan. The Superintendent said they have a very vocal community, but nothing was said about it. The community understands they have been borrowing money from the bond bank.

Mr. Bronnert asked if they have considered joint purchases. The Superintendent said they are in a service center.

Mr. Samuel asked if they are still doing full day kindergarten. The Superintendent responded yes. The parents pay a fee and they have asked for a state grant. They think they will break even.

Mr. Bowen asked what impact the loan will have on taxpayers. Ms. Hineline said it will raise the rate. Mr. Bowen asked if the board can take action without a referendum. Ms. Hineline asked where they would get a loan from. The Superintendent said they have no idea because they have never done this before.

Mr. Samuel asked if they have talked to a bank yet. The Superintendent responded no. They have talked to someone at Old National Bank, but they have not applied for anything yet.

Ms. Hineline said she has looked through the statute and she does not think there is any money anyplace for them from the state. Ms. Hineline said they cannot advance them tuition support because they are already up against the cap. The Superintendent said he understands this does not become part of their permanent tax levy. The Superintendent asked if they can borrow from the City of Yorktown. Yorktown has offered to loan them money if they need it because they are in a pretty good financial position.

Motion: Mr. Bronnert made a motion to approve emergency financial relief in the amount of \$537,435. Mr. Samuel seconded the motion, which favorably carried 6-1. Mr. Nemeth cast the dissenting vote.

Shelby Eastern Schools, Shelby County: Officials request approval of a transportation operating appeal in the amount of \$200,000 and emergency financial relief for \$2,000,000. The appeals were properly advertised.

Transportation Appeal: The tax rate impact of the appeal is \$0.0500. Officials request the appeal due to an increase in fuel costs.

Present for the hearing was Jerry Lux, School Attorney; Donna Tracy, Greg Smith, Rick Haymond, Doug Stocklin, JoAnn Kelsay, and Jeff Shelton, Shelby Eastern School Board; John Jameson, Superintendent; Kathy Berger, Treasurer; Larry Lux, Shelby County Bank, and Julie Canter, Shannon McNamara, and Don Runyon, Parents.

Comments: Jerry Lux, School Attorney, said they are asking for an excess levy of \$200,000 to supplement transportation costs. They just negotiated new bus contracts for 2007-2008 through 2010-2011. They use private contractors for their buses. The drivers significantly raised their prices. There has been a decrease in property taxes and state funding due to their declining enrollment. They are in a situation where they cannot meet the obligation for the transportation fund based on what was budgeted.

Mr. Bronnert asked if the \$200,000 request is based on the difference between the previous and new driver contracts. John Jameson, Superintendent, said with the previous contract they had 25 bus routes which cost about \$3.70 per student. They reduced two routes over the past four years to try to save money, but costs have gone up to \$4.70 per student with increases in fuel costs. Mr. Bronnert asked how many students they have in the school corporation. The Superintendent said with the previous contract they transported 1173 students and with this contract they transport 1162 students. This year's ADM is 1490 students. They have been a declining enrollment school corporation for several years.

Mr. Bowen said the only thing they can ask for is the additional costs due to increases in fuel costs, and what has to drive that is an increase in miles driven, which for them has decreased. They did not provide any rates for gasoline, so there is no way to calculate what amount they can ask for. The Superintendent said they do not know what the contracted drivers pay for fuel. Mr. Bowen said he does not think they are going to come anywhere near \$200,000. Mr. Bowen said he does not know how they can make a judgment on this until the school corporation is able to document their costs.

Mr. Nemeth said prior DLGF staff was going to look into how school corporations are able to meet the 10% increase requirement.

Mr. Bronnert asked what their budget is now. The Superintendent said they do not know what their 2007 budget is yet because Shelby County is under reassessment. They estimated it at \$796,915. Mr. Bronnert asked what their 2006 transportation budget was. The Superintendent said their 2006 costs were about \$846,000. Mr. Stocklin said their contracted bus drivers are hired through a bid process. They do not have a lot of control over it. It is difficult to negotiate in a bid process.

Mr. Besinger asked why they signed the contracts when they knew they could not cover the costs. They should have done a better job negotiating. The Superintendent said they did cut two bus routes to try to reduce costs, but it was not enough of a help for them. They still have to bus the children and have to have someone contracted to do that by the time school starts. The situation has developed where they do not have any competition on the bidding for the routes.

Mr. Bowen said the transportation appeal was not structured to take care of their problem.

Motion: Mr. Bowen made a motion to defer action on the transportation appeal. Mr. Nemeth seconded the motion, which favorable carried 6-0. Mr. Samuel abstained from the vote.

Emergency Financial Relief: Officials request approval for emergency financial relief in the amount of \$2,000,000. Officials are requesting an excessive tax levy for 2008 and not a referendum.

Comments: Mr. Lux said the school district was formed in 1965 as a result of consolidations that took place in Shelby County. They have two campuses that both have an elementary and junior/senior high school. There are 1545 total students served this year by Shelby Eastern. The ADM count is 1497 due to the half counting of kindergarten students. The district has been declining in enrollment since the 1998-1999 school year. There is anticipated growth in the southern part of the district due to the opening of a Honda plant. Developers have been looking at that area of the county. They think if they can hold on for a few years they may grow out of this problem. In 2000 they opened additions at all of their schools which left them with bonded debt of \$25,550,000. They also participated in the pension buyout plan and the balance on that debt is \$3,000,000. No districts want to consolidate and assume that amount of debt. The community feels strongly about keeping the small school concept. They keep getting less and less money from the state because of the way the state funding formula is set up. They did not have enough cushion in any of their funds to absorb the impact of the pending reassessment in Shelby County. Exhibit B shows the actual deficit spending and Exhibit D shows where they spent beyond what was appropriated. Basically, as long as they had a decent cash balance they went ahead spending money. The School board has set up a finance committee that meets weekly to review every appropriation that is spent by the school corporation. They also review a line of credit that they will be able to draw on if this request is approved.

The Superintendent believes they can realize additional savings by closing some buildings the school corporation owns. They can save \$10,000 from closing those buildings, save \$26,000 in utilities by better monitoring vacant areas, reduce extra-curricular activity stipends to save \$25,000, reduced costs of teacher assistance to save \$25,000, and reduce the Title One program to save \$25,000 and also reduce four elementary teachers and six high school teachers. They believe that if they went to block scheduling they would be able to use one teacher at multiple schools to teach the same subject matter. They also think they will be able to reduce employee health benefits by \$100,000. Educational Services is conducting a financial health study through a grant from the Department of Education. They are requesting to borrow \$1,900,000 from Shelby County Bank to take care of their immediate needs. Their proposal is to repay the loan over ten to twelve years with the debt service fund. The second request for \$2,000,000 is to get

them through 2008. They had a budget of \$9,300,000 approved in 2006, but it looks like it will be reduced to \$8,272,000 in 2007. A volunteer CPA working with them has indicated that it will take \$10.5 to \$11 million per year to run the school corporation. Between 2004 and 2007 the corporation's expenses in four categories increased by \$211,000. Simply put, they have seen an increase in costs and decreasing revenues. They think if they have some assistance here to get through the next two years they can achieve the savings to reach a balanced budget.

Mr. Bronnert asked if there was any consideration of going out for a referendum. Mr. Lux said they did not consider that to be an option at this time because they are going through reassessment and do not have any budgets established yet. Mr. Bronnert asked if Shelby County is compliant. They said they do not believe it is. Mr. Samuel said it has not yet been decided if they will be ordered to a reassessment or re-trending. The decision has not yet been issued.

Mr. Bowen asked what the amount of their debt service lease was. They said \$25 million. Mr. Bowen asked if any of that will start dropping off soon. They said they are paying for it on an annual basis. The original balance was almost \$28 million. Nothing will come off until 2025. The DLGF held a public hearing on August 27 about reassessment in Shelby County so they are hoping to hear something soon.

Mr. Samuel asked them to explain how spending has gotten out of control over the past few years. The Superintendent said their people costs have actually decreased, but they have had a hard time with health insurance costs. They will have to take a hard look at some of the extra programs. Those programs and utilities have risen dramatically. Mr. Lux said in 2004 they were paying \$4,407,000 for teachers' salaries and in 2006 they were paying \$4,057,000. Health insurance costs have gone up \$106,000 in two years. They are in a health trust with fourteen other entities. They are looking at getting out of that trust or renegotiating teacher contracts to reduce health insurance costs.

Dr. Seger asked if they discussed plan design changes. They said removing themselves from the trust would cause penalties.

Mr. Bowen asked what they plan to cut so they will have a balanced budget after two years if they are granted emergency financial relief. They said they anticipate cutting about a million dollars from general fund expenditures over the next two years.

Mr. Besinger asked what the items being cut will be. They said most of their dollars are spent on staff. It will be very painful, but they will have to make staff cuts to make ends meet.

Mr. Bowen asked if they understand the impact of controlled school status. They responded yes.

Ms. Hineline asked when their teachers' contracts are up for negotiation. They said they are up now, so they are working on the previous contract now.

Dr. Seger asked when teachers would have their prep time if they moved to a block schedule. They said at this point they are considering block scheduling only if it will be a cost saving

option. They have been working with schools that use block scheduling to see how the prep time is done.

Mr. Besinger said some school corporations offer courses every other year to increase class size. Mr. Besinger said they need to make a budget and live within it. A member of the school board said one reason they are looking at block scheduling is they are currently sharing some teachers between schools so they have to pay mileage for those teachers. They need a certified budget before they can make the hard cuts they need to make. In 2007 they began operating on the assumption they would have a \$9.3 million budget as they had the year before. It was not until August that they learned the budget was being cut by \$1.1 million. Had they found out in January they could have made some cuts. The reassessment also really put a bad spin on things.

Mr. Nemeth said those things happen, which is why school corporations need to balance their budget and keep cash balances so if they have a bad year they can take care of it. They said since the county did not receive any money they did not receive any money, along with having to absorb budget cuts, so it was sort of a perfect storm situation.

Mr. Samuel asked when the last time they had a rainy day fund was. They said they had one last year, but it has been depleted.

Mr. Nemeth asked why their budget was cut. They said they have tried to figure that out, but they still do not totally understand what happened. Mr. Nemeth asked if they have incurred anything with the line of credit. They said they are just in talks at this point. Mr. Nemeth said he is always concerned when they do not use a referendum and go to the taxpayers first. They said voters more and more have been protesting increases in property taxes. Mr. Nemeth said item twelve on the Hearing Information Sheet refers to audit reports by the State Board of Accounts. Mr. Nemeth said the current audit report from 2004-06 shows overdrawn cash balances including general fund, appropriations being overspent as a result of an energy savings contract, instances where they have been paying sales tax when they shouldn't have, errors on claims that were not always approved by the fiscal officer, employees that were not in the salary resolution or compensation, lack of records on ADM, not billing transfer tuition for students when they should have been, and over and understated form 9 reports. Mr. Nemeth asked if they were aware these problems had occurred because the report went back to 2004. They said they were aware of those items and they misinterpreted the question. Mr. Nemeth asked if they saw this problem coming back when they began overdrawing funds. They said they began working on things back in 2005, but they are not there yet. Mr. Nemeth said he thinks the taxpayers should have the opportunity to vote before the control board forces a tax increase. A taxpayer said she wishes they didn't have to go through this and they were in the black. She would like to see the school corporation get through this without having to cut too much. They do have community support. Businesses are helping as much as they can. The taxpayers do not like property taxes, but she thinks they would be willing to pay an increase to save their school.

Mr. Besinger asked how long the Superintendent has been Superintendent of the school corporation. The Superintendent responded sixteen years. Mr. Besinger said he does not understand why they do not want to take this to a vote when they say they have community support. If the community shoots this down it will make it easier for the school corporation to

make the hard cuts they need to make. Mr. Runyon, a parent, said people who have been attending recent school board meetings are unaware of how serious this situation really is. He was under that impression that this loan was already approved. He feels like he has been kept in the dark. He wants the school to be there and would be willing to pay more taxes if he was asked. He does not understand a lot of the problems the school is incurring. Mr. Besinger asked if the State Board of Accounts reports were ever shared with the public. They said when they have their audit meetings they invite board members, but they never have open meetings for the public to attend.

Mr. Nemeth said he seems to remember their field staff could not get any board members to attend the exit conference.

Motion: Mr. Bronnert made a motion to approve a loan in the amount of \$1,900,000 for 2007. Mr. Bowen seconded the motion, which favorably carried 5-1. Mr. Nemeth cast the dissenting vote and Mr. Samuel abstained.

Tipton Community School Corporation, Tipton County: Officials request approval of a lease rental agreement with maximum annual payments of \$527,000 for a term of 21 years. Total project costs are \$5,000,000. The tax rate impact is \$0.0840 with no new facility appeal expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process.

Present for the hearing was Bob Schultz, Superintendent; Dave Bergdoll, Assistant Superintendent; Jim Manak, Construction Manager; Anna Marie Burrell, Mary Ellen Wolf, and Tom Ning, Architects – Schmidt & Associates; Dave Wimmer, Underwriter, and Jeff Qualkinbush, Bond Counsel.

Project: Tipton High School was built in 1961 and is well maintained considering its age and use. Regular Maintenance and repair is an increasing expense and concern with the age of the building. With the addition of new technology in most areas of the building, future site adaptations and renovations are a priority. Tipton Middle School has been well maintained since students occupied the facility in 1972. The major needs pertain to routine replacements/maintenance, upgrading of technology, and furniture replacement. The new and renovated portions of Tipton Elementary School are in excellent condition. Furniture is being replaced in older sections of the building. The major needs pertain to routine replacements/maintenance. The Tipton Community School Corporation Administration Building is in generally good shape after completion of renovations in 2000. Eventual construction of a new administrative facility is planned.

Comments: Mr. Schultz, Superintendent, said this project fits into their long range facility plan that began back in 1993. The implementation of this project was delayed to coincide with the retirement of \$6.5 million in debt from other projects. One critical aspect of this project is that it is a transportation facility and therefore the DLGF does not have any guidelines that apply. The

hearing information sheets are designed for academic facilities and much of the information requested is not applicable.

There are three primary issues that were presented at the first meeting that they would like to address today. Those issues are site selection, cost per square foot, and outsourcing. On site selection, they explored several options and have concluded the site the selected remains the most practical and economical. Of the two other sites owned by the school corporation that were considered, one site would cost an additional \$145,000 for site work and the other an additional \$545,000. There are no other sites available within the city limits for this use. The information shared last time regarding other transportation centers' cost per square foot really did not concern them. It allowed them to challenge their architects and they found the comparisons were merely estimates on those projects before large increases in oil and steel. Also, many of the comparison projects were part of larger projects and so many of the costs could be absorbed in the total project cost. Mr. Manak said the cost per square foot for this project is somewhere between \$149 - \$320, depending on how you package it. Other school corporations have usually grouped transportation projects into larger projects and used a variety of funding sources. The Superintendent said last time there were some comments about the cost of heavy duty pavement. They used estimates of \$20 per square yard for heavy duty pavement and \$16 per square yard for light duty pavement. They contacted the paving company that did the paving at their elementary school in 1999 and they felt the estimates were low if anything. Overall, the discussion on cost per square foot showed that their construction professionals had been working to control costs and the cost of a public building is often greater than private residences due to the use and nature of the facility. In the past they have been able to maintain nice facilities with a moderate debt service rate. Looking at outsourcing, they do outsource in many areas from mowing to cleaning to computer repair. The problem with outsourcing in transportation is their location. They do not have a variety of providers in the area to select from. No one in Tipton County is certified to do the alignment and brake work they are required to do on their busses. The closest transmission facility is in Ft. Wayne. Their mechanic is capable of doing the work if they had the appropriate space, equipment, and supplies. As transportation needs increase they cannot have a bus out of service for four or more days to complete a two or three hour job they could have done themselves. Without a new facility they feel they will have to consider purchasing extra busses to sit as spares. The project has been in the corporation's planning and thinking since the 1993 school year. The project was intentionally delayed to coincide with the \$6.5 million debt retiring.

Mr. Besinger asked how many busses they have. The Superintendent said they have twenty-seven busses and four service vehicles. They also contract out for another fourteen routes. They have been having to absorb some of the contracted routes. They are in the third year of a four year bid cycle right now.

Mr. Bowen asked where the storage building will be located. The Superintendent said the current transportation facility will be converted into the storage facility. Mr. Bowen asked what the facility is used for now. The Superintendent said it is their transportation facility now. It has two bays. They are constructing a new transportation building on the other site. Part of the project is also the renovation of the current transportation facility into a storage facility so they can participate in bulk purchasing. The cost per square foot to renovate the storage facility is

about \$21.00. Mr. Bowen asked what their annual maintenance cost for busses is right now. The Superintendent said in their transportation fund right now 94.1% of the non-salary budget is in purchase services for repairs and maintenance. \$142,600 of the total \$996,000 transportation budget is for maintenance and the other \$802,000 of that is spent on salaries.

Mr. Besinger said their cost per vehicle with this project is \$128,264 and their maintenance costs right now are \$142,600 per year. The Superintendent said the mechanic's salary is already in the budget. They anticipate adding no new staff. Rather than adding a few extra busses as backup they would like to put that money into a new facility. They have tried to plan very carefully to not be in financial trouble. They have only reduced staff through retirements because they have been very careful.

Mr. Bowen asked if there is a reason the wash rack is shown as an alternate bid. The Superintendent said they have gravel roads in the county so they thought it would be good to have, but they realize it is not the most essential part of this facility. Mr. Bowen said he would like to see a study of how they are going to save money by doing this. The Superintendent said they estimate a \$10,000 savings in fuel costs alone. Mr. Bowen said \$10,000 annually will take a long time to get to five million dollars. Mr. Bowen said he personally thinks this is way overboard.

Mr. Samuel asked if they are going to hire any new mechanics. The Superintendent said the employee they will use as their mechanic is currently a maintenance worker.

Mr. Bronnert asked if they are purchasing computers for engine diagnostics. The Superintendent responded yes, they have already enquired about purchasing diagnostic software from Allison's.

Mr. Bowen asked if they will be in for a new facility appeal. The Superintendent said no, they have estimated the utility costs and they will be able to absorb them.

Motion: Dr. Seger made a motion to approve a lease rental agreement with maximum annual payments of \$527,000 for 21 years. Ms. Hineline seconded the motion, which carried by a vote of 5-2. Mr. Besinger and Mr. Samuel cast the dissenting votes.